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TO RUEHC/SECSTATE WASHDC PRIORITY 6727
INFO RUCNWSN/THE WASSENAAR ARRANGEMENT COLLECTIVE PRIORITY
RUEHNY/AMEMBASSY OSLO PRIORITY 0379

CONFIDENTIAL ROME 003295

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E.O. 12958: DECL: 12/11/2021 TAGS: PREL PARM MARR ETTC IT IR

SUBJECT: GOI FOLLOW-UP ON EXPORT OF MARINE DIESEL ENGINES

TO IRAN

REF: A. ROME 3059

¶B. STATE 179794

Classified By: Ecmin Thomas L. Delare for reasons 1.5 (b) and (d)

- 11. (U) This is an action request. Please see paragraph 5.
- ¶2. (C) During a November 30 meeting with Econ Counselor, Carlo Tripepi, MFA Office Director responsible for Italian Munitions Exports (and former Director of the Office that oversees Italian participation in the Wassenaar Arrangement), raised the issue of USG concerns regarding Italian exports of marine diesel engines to Iran. Tripepi said that following our November 3 demarche (Ref A), the GOI had contacted the Isotta Fraschini Motori Company to obtain the technical specifications of the engines exported to Iran.
- 13. (C) GOI experts have now concluded that the Wassenaar Arrangement does not cover the engines exported to Iran because they are magnetic, and thus not military-grade engines. Tripepi clarified that if the engines were "amagnetic," and designed for military use, their export could be blocked using the Wassenaar Arrangement. Tripepi said there was a British proposal to include marine diesel engines such as those exported to Iran by Isotta Fraschini in the Wassenaar Agreement, but said the proposal was "deferred" and had never been approved.
- 14. (C) Tripepi said the GOI will continue to conduct fact-finding regarding this export, including efforts to sensitize Italian companies to the risks of exporting dual-use goods to Iran. Additionally, the Ministries of Defense, Trade, Customs Service, and intelligence agencies are reviewing all Isotta Fraschini exports over the last four years to identify exports that may have been diverted to Iran. Post will continue to engage the GOI on this issue as a part of our regular export control dialogue with the GOI.
- 15. (C) Action requested. Post requests Department's guidance on how to respond to the GOI assertion that the engines exported to Iran by the Isotta Fraschini Motori Company are not controlled by the Wassenaar Arrangement. Encaction requested.

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